Findev Cyberletter

55th Edition

Compiled & Designed by Ayesha Sarfraz, MTO at Gallup Pakistan

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

Overview

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

1 News Roundup

Small Business, Big Impact: Empowering Women SMEs for Success.

Chinese firm eyes Pakistan for fintech investment.

SBP achieves 60% financial inclusion

2 Initiatives

Ant Group teams up with NayaPay for consumer-friendly zones program in China

Financial Inclusion 2.0: Embracing a New Outcome Agenda

Leveraging Transactional Data for Micro and Small Enterprise Lending

3 Data Visualization

Editor's Note

Welcome to Gallup Pakistan's FinDev Cyberletter!
The principal purpose of this Cyberletter is to inform its readers of the latest developments in the financial industry across the globe, particularly in the realms of Financial Inclusion and Digital Financial Services (DFS), where efforts are being undertaken by both private and government sectors. This is the 55th issue of the FinDev Cyberletter series (For March). Each issue of the FinDev Cyberletter will focus on a particular theme within the broader area of financial inclusion and related topics. This newsletter is divided into three main sections.

The sections are:
1. NEWS ROUNDUP – This section will cover the latest happenings in the financial services industry in Pakistan and around the world.

2. INITIATIVES – Constant work is being undertaken by experts, governments and research organizations in order to enhance the understanding of,and to find solutions to the challenges encountered within the financial services industry. This section will aim to cover some of these research initiatives, both locally and internationally.

3. DATA VISUALIZATIONS & STATISTICAL FIGURES – Research backed by data not only increases its credibility but also helps paint an accurate picture of the situation at hand. This section will contain graphical representations of data on various relevant topics.

A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original sources have been extracted. To access the original sources, please click on the link provided at the end of each article. In case of any errors or omissions, we would like to apologize and would be eager to rectify the changes at the earliest. For feedback, comments or questions, feel free to write to us at caf@gallup.com.pk.

Warm Regards,
The Gallup Pakistan Financial Inclusion Team Led by Bilal I Gilani (Executive Director, Gallup Pakistan)

Previous Editions

Previous Editions of the Findev Cyberletter can be found below:

1. Towards Financial Inclusion: FinDev Cyberletter 54th Edition
2. Bridging the Gender Gap: FinDev Cyberletter 53rd Edition
3. Building an Inclusive Future: FinDev Cyberletter 52nd Edition
4. Catalyzing Progress through Financial Inclusion: FinDev Cyberletter 51st Edition
5. Responsible Digital Payments to Accelerate Climate Action: Findev Cyberletter 50th Edition
6. Inclusion through Innovation in Financial Services: FinDev Cyberletter 49th Edition
7. USAID and UNDP Partner with KP Government to Launch Strategy to Improve Access to Finance for SMEs – Findev Cyberletter 48th Edition
8. Fourth G20 Global Partnership for Financial Inclusion, MENA's digital finance future, and responsible finance– FinDev Cyberletter 47th Edition
9. Resolving Disputes in Digital Financial transactions, reducing Financial Inclusion gaps, and Africa's and Middle East's evolving Financial Needs – Gallup Pakistan's FinDev Cyberletter 46th Edition
10. Role of Shariah Compliant Financial Inclusion, the limits of accelerating Digital-only Financial Inclusion, and Responsible Digital Payments – FinDev Cyberletter 45th Edition

Highlights

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

Small Business, Big Impact: Empowering Women SMEs for Success

IIFC bridges global SME financing gaps, empowering 15M women-led MSMEs in India to spur inclusive growth and job creation.

Chinese firm eyes Pakistan for fintech investment

Transsion Holdings Chairman Zhu Zhaojiang eyes increased investment in Pakistan's mobile manufacturing, electric bikes, agriculture, Fintech, aiming to boost local employment and exports.

SBP achieves 60% financial inclusion

Pakistan has expanded banking to 60% of adults, including 43% women, via digital services fostering economic growth and financial empowerment.

Financial Inclusion 2.0: Embracing a New Outcome Agenda

Financial inclusion must evolve beyond access to demonstrate its role in advancing global development amidst persistent challenges and opportunities for a greener, more inclusive world.

Ant Group teams up with NayaPay for consumer-friendly zones program in China

NayaPay partners with Alipay+ to enable direct payments at over 80 million Chinese merchants, enhancing trade ties and accessibility for travelers.

Leveraging Transactional Data for Micro and Small Enterprise Lending

Fintechs in India leverage transactional data to close the $4.9 trillion global financing gap for micro and small enterprises.

NEWS ROUNDUP

THIS SECTION COVERS THE LATEST HAPPENINGS FROM THE REALM OF FINANCIAL INCLUSION AND DIGITAL FINANCE

Small Business, Big Impact: Empowering Women SMEs for Success

Small and medium-sized enterprises (SMEs) play a crucial role in the global economy, but they face a significant financing gap of $5.7 trillion. In India, 63 million MSMEs contribute 30% of GDP and 40% of exports, but a $333 billion financing gap persists. Women entrepreneurs in India are leading nearly 15 million MSMEs, but financial hurdles and societal bias hinder their success. IFC is working with leading banks and NBFCs to enhance credit access, job creation, and inclusive growth.

IFC is promoting women's entrepreneurship in the private sector to address gender inequality and leverage India's demographic dividend. Over the past year, IFC has extended 30 million micro and SME loans, with $8 billion designated for women. The initiative aims to integrate women into business operations, advance women leadership, and foster job opportunities. This collaboration with the government and private sector can empower more small businesses.

SOURCE: PUBLISHED BYWWW.IFC .ORG/EN/STORIES 2024. CLICK HERE. TO ACCESS FULL ARTICLE

Chinese firm eyes Pakistan for fintech investment

Chinese firm Transsion Holdings Chairman Zhu Zhaojiang has expressed interest in enhancing investment in Pakistan's mobile phone manufacturing unit, electric bikes, modern agriculture, mobile phone manufacturing, and Fintech sectors. The Chinese company has already established a mobile phone manufacturing unit in Pakistan, providing employment to around 5,000 Pakistani workers. The company aims to expand its investment in the mobile phone industry and increase mobile phone exports from Pakistan.

SOURCE: PUBLISHED BY METTIS GLOBAL.NEWS
JUNE 2024. CLICK HERE TO ACCESS FULL ARTICLE

SBP achieves 60% financial inclusion

Pakistan has expanded its banking services to include 60% of the adult population, including 43% female citizens, thanks to the introduction of digital banking. The Covid-19 pandemic has accelerated the adoption of digital services, with access to banking services more than doubled. Governor Jameel Ahmad highlighted the importance of financial inclusion in fostering economic growth and empowering individuals to manage their finances wisely.

As of June 2023, there were approximately 177 million bank accounts in Pakistan, with 83 million unique accounts constituting 60% of the adult population. The central bank is working on policies to better integrate the female population into the formal financial system, highlighting the need for sustained economic growth.

Banking services extended to 60% adult population with the help of digital banking and technology

SOURCE: PUBLISHED BY TRIBUNE.COM.PK
5TH MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

INITIATIVES

CONSTANT WORK IS BEING UNDERTAKEN BY EXPERTS, GOVERNMENTS, AND RESEARCH ORGANIZATIONS TO ENHANCE UNDERSTANDING AND FIND SOLUTIONS TO CHALLENGES ENCOUNTERED WITHIN THE FINANCIAL SERVICES INDUSTRY. THIS SECTION COVERS SOME OF THESE RESEARCH FINDINGS

Ant Group teams up with NayaPay for consumer-friendly zones program in China

Pakistan's NayaPay has partnered with Alipay+ to enable users to pay at over 80 million merchants in China, marking the first direct payment link between the two countries.

The partnership, facilitated by Ant Group and its partners, aims to make transactions smoother and boost trade ties. Travelers can use Alipay+, which allows home e-wallets, or link major international bank cards to an Alipay app, allowing access to local services without a local bank account or phone number

SOURCE: PUBLISHED BY ITLA.BEEHIIV.COM 19TH APRIL 2024. CLICK HERE TO ACCESS FULL ARTICLE

Financial Inclusion 2.0: Embracing a New Outcome Agenda

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

The World Bank predicts that by the end of 2024, 25% of developing countries and 40% of low-income countries will still be poorer than they were in 2019 before the pandemic. The challenges of climate change, poverty, inequality, fragility, conflict, and violence remain unresolved. Despite these challenges, there are opportunities to work towards a greener, more inclusive, and more resilient world. Financial inclusion plays a critical role in enabling development outcomes and improving livelihoods.

To unleash its full potential, the financial inclusion community must go beyond supporting access to and usage of financial services and emphasize enhancing its practical benefits.

A new approach is needed to articulate how financial inclusion contributes to the broader global development agenda, engage with new stakeholders, and demonstrate its contribution to the global development agenda.

SOURCE: PUBLISHED BY WWW.CGAP.ORG. 2ND MAY 2024. CLICK HERE TO ACCESS FULL ARTICLE

Leveraging Transactional Data for Micro and Small Enterprise Lending

Transactional data can help close the US$4.9 trillion global financing gap for micro and small enterprises (MSEs). This paper examines two fintechs in India that use different sets of transactional data for credit scoring. Fundfina uses data from enterprise partners to offer credit to small businesses and KarmaLife uses data from partner platforms to offer loans to drivers and food delivery platform workers. The paper uses the scorecard development methodology (logistic regression models) to develop traditional credit scorecards, allowing easy understanding and comparison of the relationships between each model characteristic and loan repayment. This transparency facilitates credit risk management and helps compare the contribution of different data sets to a scorecard's predictive power.

SOURCE: PUBLISHED BY WWW.CGAP.ORG/ MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

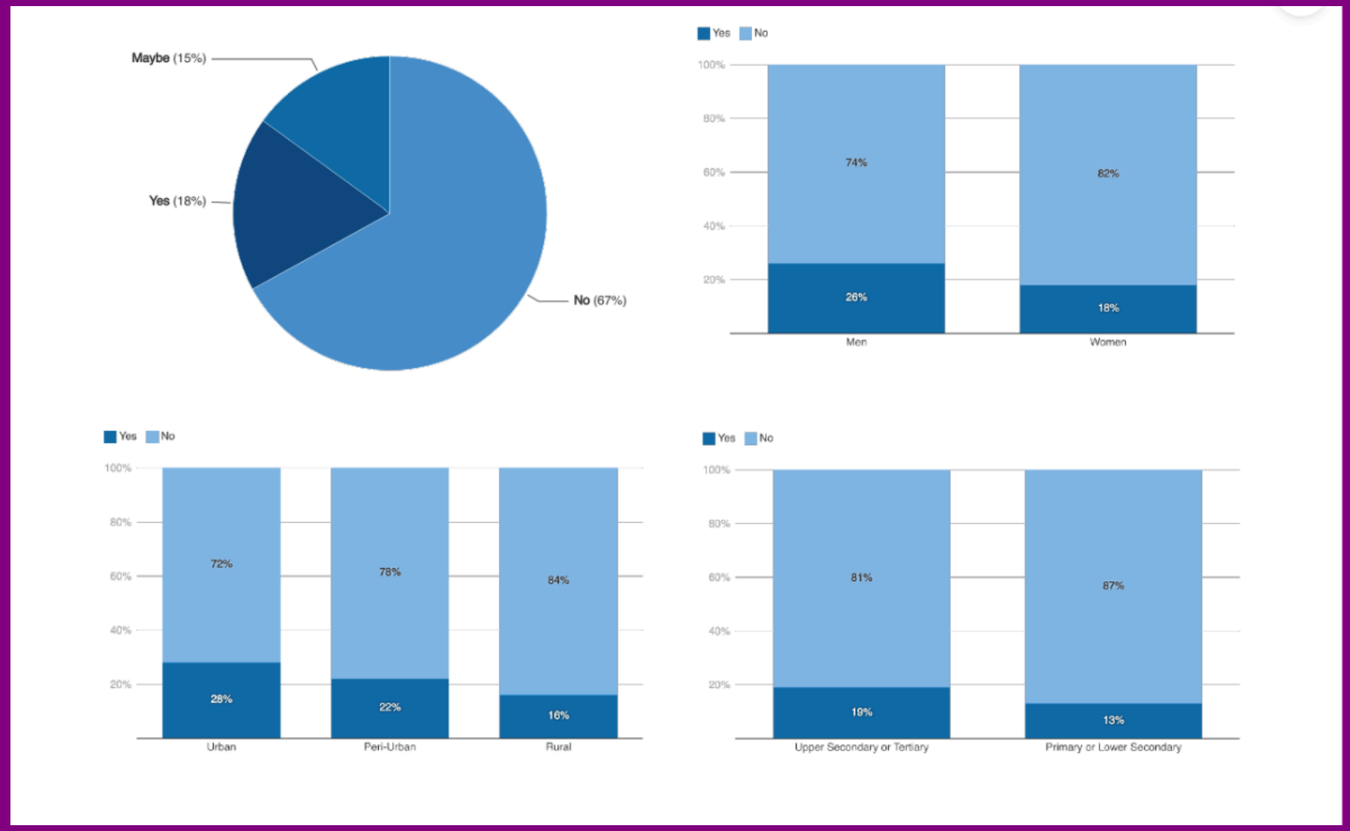
GALLUP
PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

DATA VISUALIZATION

Trust and Awareness Will Be Key for Open Finance Adoption in India

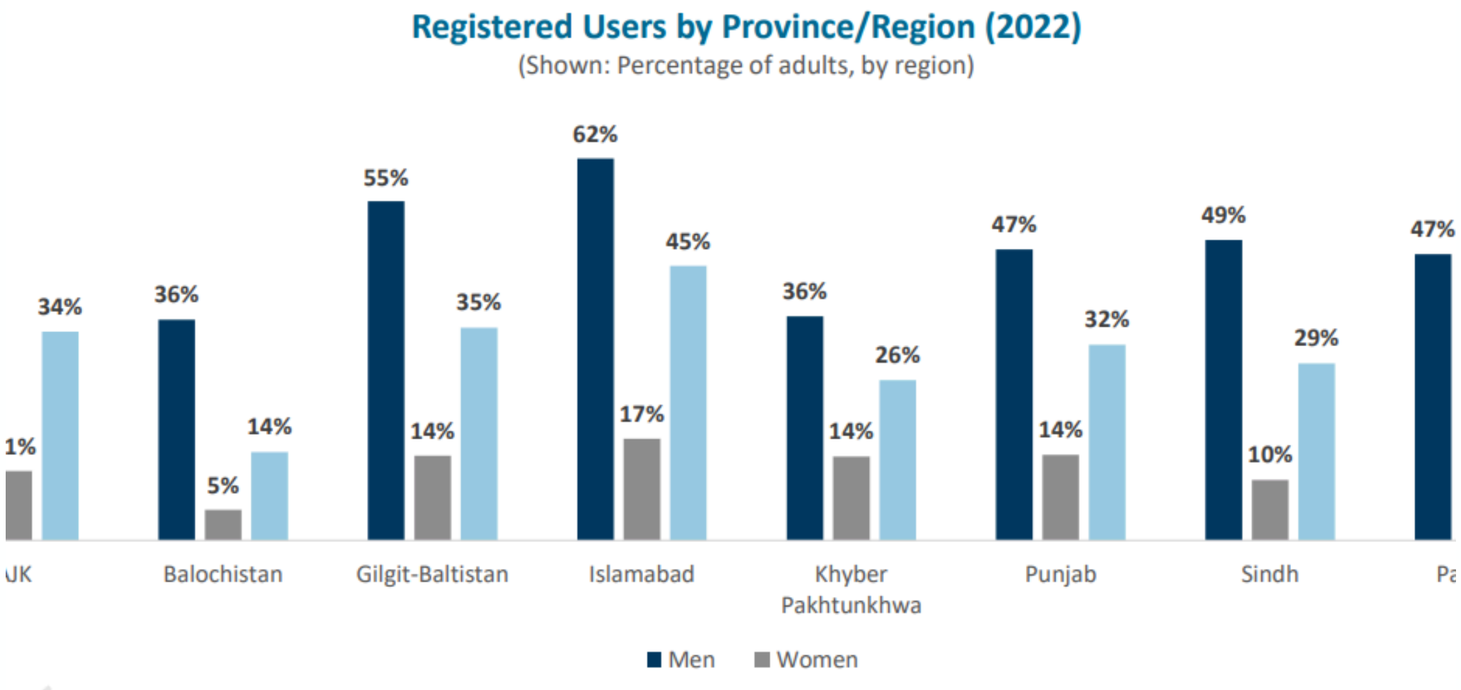
GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

India and Brazil are leading the way in open finance implementations in developing economies, with 64 million accounts linked through the Account Aggregator (AA) ecosystem in India and 43 million in Brazil. Key factors include interoperable fast payment systems and a flourishing fintech market. Financial services providers have seen positive results, with a 25% reduction in credit application process costs, a 60% increase in user engagement, and zero fraud rates. Integration with AAs has also improved completion rates and processing times of loan applications. A customer survey conducted between November 2023 and January 2024 analyzed the current understanding and adoption of AAs among smartphone users.



SOURCE: PUBLISHED BY WWW.CGAPORG. 19TH APRIL 2024. CLICK HERE TO ACCESS FULL ARTICLE

FINANCIAL INCLUSION BY REGION



Islamabad has the highest financial inclusion rate at 45%, followed by Gilgit Baltistan at 35% and Azad Jammu & Kashmir at 34%. Men generally have higher financial inclusion rates than women across Pakistan. In Islamabad, men have the highest inclusion at 62%, followed by Gilgit Baltistan at 55%. Women's inclusion is lowest in Balochistan at 5% and highest in Islamabad at 17%.

SOURCE: PUBLISHED BY KARANDAAZ.COM..PK. MARCH 2023. CLICK HERE TO ACCESS FULL ARTICLE

GALLUP
PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

http://www.gallup.com.pk

/GallupPak

/GallupPak

caf@gallup.com.pk